

**Testimony of Grant Oliphant
President and CEO, The Pittsburgh Foundation
Hearing on the Itemized Deduction for Charitable Contributions
House Committee on Ways and Means
U.S. House of Representatives
February 14, 2013**

Congressman Camp, Ranking Member Levin, and other Committee members, thank you for this opportunity to provide written testimony on the deduction for charitable contributions as part of the Committee's work on comprehensive tax reform. Especially, I would like to recognize members Jim Gerlach, Mike Kelly, and Allyson Schwartz, from my home state of Pennsylvania.

For the past five years I have served as President and CEO of The Pittsburgh Foundation, the 13th largest community foundation in the United States. During this time, we have experienced consistent growth in terms of annual fundraising and currently The Pittsburgh Foundation's assets are approximately \$900 million. This growth would not have been possible without the generosity and commitment of our donors and in 2012 alone, our donors gave \$12.7 million from their funds at the Foundation to support the vital work of over 1,100 nonprofit organizations throughout the Pittsburgh region. This was in addition to the \$44 million in grants provided by The Pittsburgh Foundation to strengthen charitable programs in our local community to improve health care services, safeguard and develop educational opportunities for our children, enhance the arts and cultural activities, and provide human services programs to support the region's most vulnerable citizens as well as addressing key issues concerning the well-being of our environment and economic development.

I highlight this information at the start of my testimony because unlike private or corporate foundations, community foundations serve a unique and significant role in philanthropy, a role that would be endangered, I believe irrevocably, by any reduction or elimination of the charitable tax deduction, which by its very creation was designed to help facilitate community-based charitable giving that is so well represented by The Pittsburgh Foundation.

Beyond the technical definition as tax-exempt public charities, community foundations are a critical tool in promoting self-sufficiency among nonprofit organizations and our community's overall health by providing opportunities for donors to participate in place-based initiatives through the creation of funds to meet current and potential needs in perpetuity.

Furthermore, many leading community foundations, like The Pittsburgh Foundation, take on a broader responsibility to encourage and inspire charitable giving among individuals and families in local communities, and to provide professional expertise, guidance and innovative resources that help them to do so.

The community foundation sector in the U.S., collectively with approximately \$55.6 billion in assets, advances the philosophy of Pittsburgh's own Andrew Carnegie, "a person of wealth is an agent of civilization, and philanthropy is a tool for improving civilization while at the same time substituting for radical reforms." This philosophy holds true today but will be seriously undermined should individuals feel that they are no longer encouraged to participate in true community-based philanthropy in seeking to make a positive impact in their communities.

Such a level of discouragement would result, I believe, if proposals are successful to amend the current code governing the charitable tax deduction. Currently the code serves not only as an invaluable monetary incentive, but also as tangible evidence that philanthropic good work is recognized, valued and supported.

The charitable tax deduction is vitally important for community foundations to deliver their missions, especially with the growth of donor-advised funds that allow donors to be part of the philanthropic process in identifying critical community needs and recommending grantmaking support to charitable programs about which they are especially passionate. The Pittsburgh Foundation's donors are resolute in their belief that by joining with a community foundation, they benefit greatly from a philanthropic partnership, which in turn benefits our local community.

An example of an initiative led by The Pittsburgh Foundation that leveraged individual giving on behalf of the community is the Neighbor-Aid Fund, which attracted support from many local funding partners as well as public donations. In response to the 2008 economic crisis this emergency fund was designed to support nonprofit organizations striving to meet increased demand for essential human services, specifically, food, housing, transportation, and utilities. Over \$1 million was distributed to nonprofits providing critical "safety-net" services.

Another example of foundation work that can only be successful if our donors support it via giving is The Pittsburgh Foundation's Day of Giving. Launched in 2009, the on-line site's giving events have so far raised more than \$21 million for the region's nonprofit organizations. Last year alone, this effort raised a total of \$8,540,345, an increase of over 31 percent compared with the previous year. More importantly, 665 nonprofits received contributions from over 17,000 individual donations.

My foundation has an unwavering commitment to further developing its partnerships with donors as well as collaborative and innovative ventures with funding partners at local and national levels in order to maximize grantmaking impact and philanthropic leadership in our region. Together we have pioneered some major achievements in recent years, including reform initiatives within the Pittsburgh Public Schools, and the launch of the Pittsburgh Promise scholarship program, that provides four-year funding of up to \$10,000 per year for city public

school students pursuing college and university education. Like Pittsburgh's Day of Giving, the Pittsburgh Promise has become an acclaimed model for similar initiatives developed by other foundations across the United States.

Local, state and federal governments are fiscally constrained, severely limiting their ability to mount new programs and even sustain existing ones. This reality combined with increasing demand for assistance from our nonprofit provider community, is further witness that any action that would lead to a reduction or elimination of the charitable tax deduction would have a direct and negative impact on charities and the people they serve.

Thank you for this opportunity to share the important role donors play within the context of a community foundation and I ask that as important tax reform debates continue, the charitable tax deduction be preserved in order to safeguard an essential part of our infrastructure that serves to inspire and enable philanthropy and the great, essential work that it undertakes on behalf of us all.

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